



## **JOINT SUBMISSION**

**Australian Information Industry Association**

and

**Product Stewardship Australia**

supported by the

**Consumer Electronics Suppliers' Association**

**11<sup>th</sup> April 2011**

**Senate Standing Committee on Environment and Communications**

**Inquiry into the Product Stewardship Bill 2011**

## 1. Preamble

This joint submission reflects the views of Australia's three peak bodies concerned with the manufacture, supply and environmental management of TVs and computer equipment:

- Australian Information Industry Association (AIIA)
- Product Stewardship Australia (PSA)
- Consumer Electronics Suppliers' Association (CESA)

It is a joint submission because the three peak bodies work closely and collaboratively on Product Stewardship matters and product life cycle management issues generally. In particular, AIIA and PSA are working towards the creation of a 'single product stewardship organisation' to design and implement a national TV and computers recycling program within the context of the proposed Product Stewardship Legislation 2011. In summary:

- AIIA is the nation's peak industry body for the technology sector. AIIA sets the strategic direction of the industry, influences public policy and provides members with productivity tools, advisory services and market intelligence to accelerate their business growth.
- PSA is a not-for-profit, industry-led organisation established by the consumer electronics industry in 2004 to help manage the recovery and recycling of TVs in an environmentally sound manner.
- CESA represents manufacturers, importers, suppliers and retailers of a wide range of consumer electrical and electronic products in the Australian market.

TV brand members of PSA represent 70% of total sales into Australia; Computer brand members of AIIA represent 80% of sales in Australia. Our respective members are listed in Appendix A.

All three bodies, herein referred to as the 'TV and Computer industries' support the need for responsible and effective environmental management that meets community expectations and delivers sustainable outcomes. Appropriate, flexible approaches to Product Stewardship and associated regulatory instruments are a key element which industry has, and continues to support and advocate.

A 'shared product responsibility' approach to maximising environmental benefits and minimising impacts is an essential platform, which enables all relevant stakeholders to address the key areas and priorities outlined under the National Waste Policy.

## 2. Support for the Product Stewardship Bill

The TV and Computer industries welcome the opportunity to comment and provide input to the Senate Committee's Inquiry into the Product Stewardship Bill 2011.

We commend the Australian Government in its foresight to initiate and develop a National Waste Policy, including specific attention to the proposed Product Stewardship Legislation and the National TV and Computer Product Stewardship Scheme in collaboration with industry and other stakeholders. Refer to Appendix B for the joint PSA-AIIA media statement welcoming the introduction of the Product Stewardship Bill into Parliament.

The TV and Computer industries acknowledge that the framework nature of the Product Stewardship Bill and its likely outcomes, represent a landmark policy approach in the Australian context. It has the potential to deliver positive environmental, social and economic benefit. In particular we welcome and support the aspects of the Bill relating to Co-regulatory Product Stewardship.

We also acknowledge the effort and planning undertaken to date by the Department of Sustainability, Environment, Water, Population and Communities (DSEWPAC). This includes the Department's program of engagement with industry organisations PSA, AIIA and CESA and other key industry stakeholders.

As key industry participants in the co-regulatory framework that will deliver the national TV and computer collection, recycling and community education service, it should be noted that we have been strong and supportive advocates of flexible legislation and regulations to ensure industry-wide participation and meaningful environmental outcomes.

From an international perspective, it is important to note that many other jurisdictions are significantly more advanced than Australia in relation to policies, laws and directives concerning Product Stewardship for electronic waste. Compared to legislative measures across the European Union, Canada and upwards of 30 US states, Australia is up to ten years behind. It is also noteworthy to observe the relative success achieved over time in these jurisdictions.

### **3. Context and Chronology**

Product sustainability initiatives are important aspects of how PSA and AIIA members operate in many global markets and jurisdictions around the world, including Australia. The TV and Computer industries have been long-standing advocates and proponents of corporate social responsibility and its translation into practical environmental initiatives addressing energy efficiency, minimisation of hazardous substances as well as resource recovery and recycling of obsolete equipment at end-of-life.

PSA, AIIA and their member companies can demonstrate a diverse range of programs and projects relevant to the Australian context, which demonstrate our key roles as industry leaders and major stakeholders. This includes considerable funding of environmental initiatives by the associations as well as individual brands over many years. A short chronology of such initiatives demonstrates the commitment and foresight of the TV and Computer industries in Australia:

- Training Program for Auditors, Recyclers, Transporter & Collection Points (2011).
- Interim Industry Standard for Collection & Recycling of Computers & TVs (2011).
- Byteback Pilot Project for Computer Hardware – Victoria (2005 – 2011).
- A Collective Product Stewardship Approach for Electrical & Electronics Products in Australia: Strategy Plan (2004).
- Establishment of industry-led not-for-profit organisation: Product Stewardship Australia (2004)
- Beyond the Dead TV: Managing End-of-Life Consumer Electronics in Victoria. A Pilot Product Stewardship Project (2003)

Also of significance is that multinational companies involved in the TV and Computer industries already meet stringent compliance requirements in the United States and the European Union. It is common business practice for our members to operate in jurisdictions where Product Stewardship type legislation exists.

### **4. Key Industry Stakeholders**

The TV and Computer industries have, and continue to be the major participants and proponents of appropriate legislation and subordinate regulations which can enable and facilitate a permanent national collection, recycling and education scheme for end-of-life (EoL) TVs and computers.

As part of our long-standing commitment to Product Stewardship for electronics in Australia, our respective bodies have invested significantly in a diverse and significant range of initiatives over many years. We trust this submission will provide the Senate Committee with a sense of what the TV and Computer industries are seeking. In particular we expect the proposed Legislation to:

- be fit for purpose, flexible and responsive;
- address the need for subordinate regulations that will target free-riders and ensure industry wide participation;
- be realistic and achievable;
- be adequately supported and resourced by the Australian Government;
- be assiduously and effectively enforced by the Australian Government;

- meet the expectations and requirements of the TV and Computer industries to enable the required funding of the Scheme by individual TV and Computer companies; and
- simultaneously enable positive environmental outcomes while eliminating competitive disadvantage caused by companies who may choose to avoid their Product Stewardship obligations.

The Co-regulatory provisions under the Product Stewardship Bill underscore the importance of the TV and Computer industries participation in any future collection, recycling and education scheme. As a major funding and implementation stakeholder of such a scheme, we believe that effective enforcement of co-regulatory arrangements under the Bill is vital to ensure ongoing success and environmental benefit.

While the majority of companies involved with the TV and Computer industries are supportive of developing and delivering a national e-waste recycling service, the proposed Legislation is vital to ensure industry-wide participation and avoid potentially indifferent industry players exempting themselves from direct involvement in a permanent national scheme.

Industry willingness, resources, expertise and readiness are key ingredients in achieving success under the proposed Legislation. Effective and enduring co-regulation is not possible without such elements.

## 5. Timeframes

The TV and Computer industries are working closely with the Department of SEWPAC on specific elements of a national TV and Computers Product Stewardship Scheme, including the need for realistic and achievable timeframes.

Furthermore we understand that proposed Legislation is a pre-condition for making the regulations that will cover the TV and Computers Scheme. However, neither the Bill nor the recently released Regulations Discussion Paper provide any certainty or timelines regarding commencement of liabilities and obligations following the passage of the Bill and the making of Regulations.

The Explanatory Memo to the Bill states the intention of all clauses of the Bill to have been proclaimed within 6 months of receiving Royal Assent. While this provides a very broad guide, it does not assist industry with planning for obligations of the proposed Product Stewardship Organisation i.e. an Arrangement Administrator under the Bill. Furthermore, Section 3.8 of the Regulations Discussion Paper provides a very broad understanding of process, but no real proposal of timelines.

Timings that are mutually agreed are essential. They are required to allow industry and the Product Stewardship Organisation sufficient time for establishment and commencement. These include:

1. The point at which importer liability established by the Bill and Regulations, will come into effect.
2. The period of time that a liable importer will have to submit an application for membership and evidence of membership of an arrangement.
3. The point at which an Arrangement is expected to have submitted its plan for approval and the likely length of time the approval process will take. This will also need to take into account the time an Arrangement Administrator will require to have obtained approval from the ACCC if appropriate.

Until timings are agreed the TV and Computer industries are not in a position to establish the proposed Product Stewardship Organisation, to secure membership, raise revenue from members, or finalise contracts with prospective recyclers and other relevant service providers.

It is imperative that Government recognises the goodwill of industry members and establishes with industry clear and detailed methods of engagement, consultation and negotiation. This will ensure that the timelines proposed will enable the TV and computer industries' proposed Arrangements to be

in a position of readiness within agreed timeframes so that liable parties and the Arrangement's members are not exposed to penalties in the initial stages of Scheme implementation.

We strongly support realistic and achievable timeframes in relation to all aspects of the proposed Legislation, subordinate regulations and Scheme implementation. For example, a five-year timeframe for the geographical roll-out of the Scheme is essential. This phased approach to deliver the service across urban, regional and rural Australia will match the growing capacity and capabilities of the waste management industry and help reduce the risk and impact of processing bottlenecks, such as unnecessary stockpiling of collected EoL TVs and computers.

Similarly, the TV and Computer industries also strongly support a ten-year timeframe to meet the collection rate of 80% of EoL TVs, computers and computer peripherals for the purposes of recycling. While a goal of 80% is a significant and ambitious target, the likelihood of achieving it will be substantially enhanced through effectively enforced Product Stewardship Legislation and associated regulations, which address free-riders and overall environmental performance of the scheme.

## **6. Ensuring Certainty through Cooperation and Consultation**

Business certainty and clarity are critically important requirements for the TV and Computer industries. As major funding and implementation stakeholders related to the future co-regulatory arrangements provided for under the proposed Legislation, we expect ongoing consultation between industry and Government to be of the Government's highest priority.

Since the November 2009 EPHC decision to endorse a co-regulatory approach for TVs and computers, we have been working closely and cooperatively with the Department of SEWPAC through the joint industry-government advisory Implementation Working Group (IWG) to plan and design a national scheme. The TV and computer industries have invested considerable time, expertise and resources through the IWG process. This includes significant time and effort by member companies and their personnel.

The issue of continuing consultation and cooperation cannot be over-emphasised. Ongoing engagement with the TV and Computer industries, by the Australian Government is essential in passing appropriate legislation, and for drafting associated regulations that are realistic and provide the confidence required for industry to fund and deliver a permanent national collection and recycling program for EoL TVs and computers. *In particular, the TV and Computer industries are seeking increased certainty and detailed information about timeframes and lead-times, which may have a direct or indirect impact on industry-readiness as it relates to:*

- when the Bill comes into force;
- the timing of approving co-regulatory arrangements (application and decision);
- liability and membership of arrangements;
- scheme funding;
- finalisation of approved co-regulatory arrangements;
- requirements for administrators of approved co-regulatory arrangements;
- penalties and enforcement; and
- industries' ability to enter into contractual arrangement with recyclers and other service providers.

Ongoing detailed discussions between the Australian Government and the TV and Computer industries relating to the above requirements (and their timing), is of paramount concern to business, and must be mutually agreed if timely commencement of the Scheme is to be achieved.

Any lack of certainty and clarity about key elements of the proposed Legislation (and subordinate regulations concerning the National TV and Computers Product Stewardship Scheme) would directly lead to a loss of confidence by the TV and Computer industries, which in turn would impact on willingness, readiness and funding.

## **7. Concluding Remarks**

AIIA, PSA and CESA believe that the Product Stewardship Bill 2011 is a significant step forward for Australia.

It has the potential to deliver on the aims of the National Waste Policy, as well as the key areas and priority strategies, many of which relate directly to strong Product Stewardship approaches.

The National Waste Policy and Priority Strategies such as the proposed Product Stewardship Legislation, begin to reflect a much more coherent and strategic policy approach to managing resources efficiently and responsibly.

The TV and Computer industries see the Policy and the Bill as a direct and progressive contribution towards achieving a sustainable future for Australia. As global leaders in connecting technology, innovation and sustainability, members of AIIA, PSA and CESA welcome the Product Stewardship Bill and commend the Australian Government on its efforts to engage with key stakeholders on an issue of great importance to Australia.

It is vital that the Government maintain and increase its level of consultation with the TV and Computer industries to ensure that the proposed Legislation and any subordinate regulations are realistic, achievable and deliver a level-playing field so that business has the certainty and confidence to fund a national collection, recycling and community education program for end-of-life TVs and computers.

AIIA, PSA and CESA look forward to the timely passage of the Bill (and subordinate regulations) in the winter sitting of Parliament 2011.

## APPENDIX A

### Members of PSA and AIIA ESIG

AIIA	PSA
Acer	Bush - Grundig
Apple	Dick Smith Electronics
Canon	Hisense
Dell	JVC-Hagemeyer Brands
Epson	LG Electronics
Fuji-Xerox Australia	Panasonic
Hewlett Packard	Samsung
IBM	Sanyo
Lenovo	Sharp
Lexmark	Sony
Toshiba	TEAC
	Toshiba

## **APPENDIX B**

### **PSA-AIIA Media Release Welcoming the Product Stewardship Bill's Introduction**



## **Peak Industry Groups Welcome Federal Legislation on Product Stewardship and E-Waste Recycling**

The Australian TV and Computer industries welcomed introduction of the Product Stewardship Bill into the Federal Parliament yesterday.

The Bill will provide the enabling regulations for manufacturers, suppliers and importers of Information Technology (IT) equipment and TVs to finalise plans for a national e-waste recycling scheme.

The two peak industry bodies representing IT and consumer electronics companies have been relentless in their efforts to design and deliver a permanent e-waste recycling service to the community for several years.

The Australian Information Industry Association (AIIA), which is nation's peak body on ICT matters, believes that the Bill is a significant step towards supporting industry efforts to deliver a national scheme which requires industry-wide participation and funding.

Similarly, Product Stewardship Australia (PSA), the peak environmental body representing TV manufacturers, has welcomed the Product Stewardship Bill after many years of advocating the need for intelligent legislation that will help ensure significant environment benefit by diverting obsolete TVs and Computers from landfill.

In a related landmark decision made by industry yesterday in Sydney, both PSA and AIIA formally agreed to create a single industry body known as a 'Product Stewardship Organisation' (PSO). This new joint PSO will be the primary organisation charged with delivering the national TV and Computer recycling scheme under the Legislation introduced to the Senate today.

To date, both PSA and AIIA have played a critical role in working collaboratively with Government to inform the development of the Bill and how it would be applied to the operational aspects of e-waste recycling in Australia.

"The AIIA and its Environmental Special Interest Group are very pleased to see the Federal Government act on such an important environmental issue. Our members have been especially proactive in developing computer recycling solutions through the ByteBack program currently in operation in Victoria" said Ian Birks, CEO of the AIIA.

John Gertsakis, the Executive Director of PSA, also welcomed the Bill's introduction.

"PSA has been a strong supporter of legislation which balances Government intervention, measurable environmental outcomes and social demand. The importance of Government policies and regulations which meet community expectations but are also flexible and enable industry to operate efficiently, is paramount" said Gertsakis.

Both PSA and AIIA agree that much detail is yet to be finalised by Government, however ongoing and transparent discussions between industry and Government are considered essential if industry is to fund a national e-waste recycling scheme.